Testimony of Amy McLean Salls

Connecticut Director and Senior Policy Advocate

Public Hearing, March 5, 2019

Acadia Center
Advancing the Clean Energy Future

Before the Energy and Technology Committee

Honorable Chairpersons Arconti and Needleman, Vice Chairpersons Fonfara and Allie- Brennan, Ranking Members Formica and Ferraro and Committee Members:

Acadia Center appreciates this opportunity to provide written testimony to the Energy and Technology Committee regarding the bill referenced below. Acadia Center is a nonprofit research and advocacy organization committed to advancing the clean energy future. Acadia Center is at the forefront of efforts to build clean, low carbon, and consumer friendly economies.

H.B. 7251 AAC LONG-TERM CONTRACTS FOR CERTAIN CLASS I GENERATION PROJECTS AND THE RESIDENTIAL SOLAR INVESTMENT PROGRAM AND REQUIRING A STUDY OF THE VALUE OF SOLAR

Position: Acadia Center appreciates the hard work of the legislators to address the issues and fixes for PA 18-50 legislation. H.B. 7251 has both good elements and bad elements. Acadia Center would like the bad elements to be fixed while retaining the good.

What happened:

Last year's Senate Bill 9 (now PA 18-50) locked in the termination of "net metering," which will likely occur in October when the Residential Solar Incentive Program cap is met, if not sooner. Net metering is a critical clean energy policy offered in 38 states that provides electric bill credits to solar owners who send clean power to the grid.[1] *With less than seven months before net metering expires, no successor program is in place for either the residential or commercial solar industries. We are now facing a cliff in the sustained, orderly development of solar energy in Connecticut.*

Connecticut's solar situation today:

Connecticut has a chance to undo this potential job killing legislation. As noted in a recent Acadia Center memo that was distributed at the beginning of 2019 to all legislators and commissioners and Governor Lamont:[2]

[1] http://www.dsireusa.org/resources/detailed-summary-maps/

[2] *https://acadiacenter.org/document/building-a-stronger-connecticut-memorandum-to-the-next-governor/*

Ramping up the in-state solar industry would boost Connecticut's economy and job market. Distributed solar, which includes rooftop and other small-scale solar, is a key part of Connecticut's important and growing clean energy economy. The industry currently employs about 2,170 people in Connecticut – 11% more than in 2015.[3] Distributed solar also gives Connecticut residents and businesses another way to control their energy use and reduce high energy costs.

Yet Connecticut can do much more to take advantage of distributed solar,s economic benefits. Connecticut lags other New England states in its pace of deployment.[4]

Chart 1 – Solar Deployment Per Capita in New England

Vermont has installed four times more distributed solar per person than Connecticut, and Massachusetts nearly two times more per person.[5] These higher deployment rates in nearby states

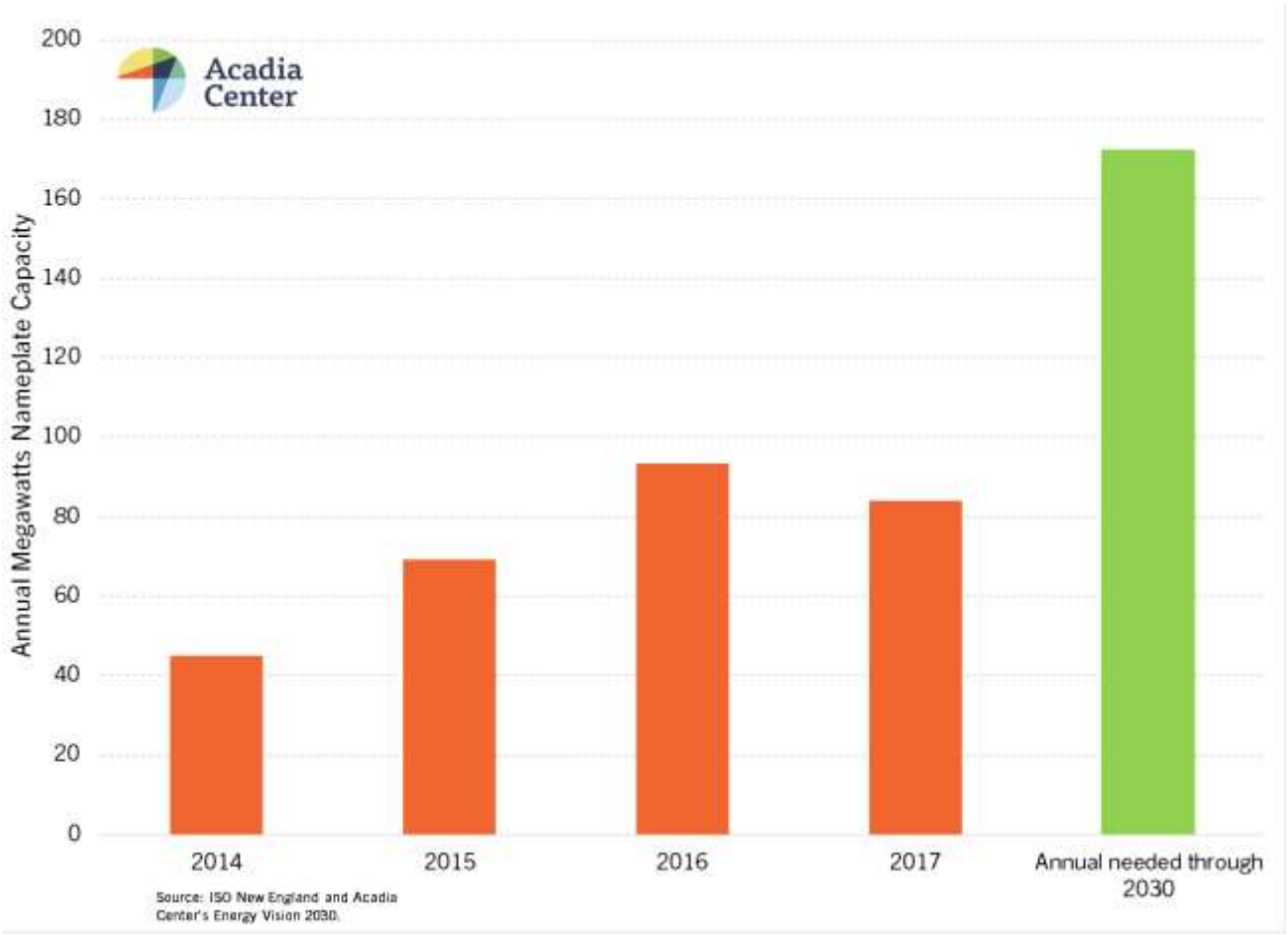
[3] See http://www.thesolarfoundation.org/wp-content/uploads/2018/02/Solar-Jobs-By-State-1.pdf.

[4] See Acadia Center, Connecticut: Pathway to 2030 (http://2030.acadiacenter.org/full-reports/).

indicate that Connecticut's in-state solar industry could expand, if supported by effective solar policies.

The current deployment rate will also prevent Connecticut from meeting its climate goals, as Acadia Center has modeled through its EnergyVision 2030 project.[6] Connecticut will need to more than double its current annual rate of distributed solar installations to stay on track through 2030.

Chart 2 - CT Annual Distributed Solar Installations Versus 2030 Climate Target Rate



Doubling the installation work of the existing in-state solar industry would help Connecticut's economy. Acadia Center has estimated that increasing distributed solar installations to about 160 MW annually – an achievable target based on current installation rates in other New England states – would result in:

---

[5] See id. Acadia Center analysis based on ISO-New England distributed generation forecast data and U.S. Census data.

[6] See id.

- Approximately 2,200 new jobs in Connecticut, with that employment level sustained through 2030;[7]
- Increased personal income of at least $216 million, which means greater spending power and more in-state economic activity;[8]
- About $13.6 million annually in new state tax revenue (personal income and sales taxes) generated by new jobs and economic activity.[9]

To capture the full economic potential of rooftop solar for Connecticut, existing policies will need to be changed to maximize cost-effective deployment. The legislature now has the opportunity to revisit the negative policies put in place in 2018 to give the industry the support it needs to drive economic development in the state.

What needs to be done now:

HB 7251 does take some small, helpful steps which should be retained: it proposes to delay the end of our current net metering programs by expanding the Green Bank's solar incentive program (RSIP) by an additional 100 MW, and the commercial solar incentive program (ZREC) for an additional year. **Delaying the end of a good thing helps, but is far from enough. We cannot afford to leave in place the solar programs mandated by statute last year in P.A. 18-50 ("SB 9").**

HB 7251 also mandates a value of solar study. But it makes sense to maintain our current pro-solar programs while we do the value of solar study so that the solar industry doesn't disappear from Connecticut in the meantime. **Connecticut can learn from this study and other pro-solar policies across the country to more fairly examine what the future of solar programs in Connecticut should look like.**
Connecticut is running out of time for a fix— and needs this Committee to act boldly now.
Here's how you can fix HB 7251 to ensure solar growth in Connecticut:

- RESIDENTIAL SOLAR: Maintain current net metering program, which has been successful and should be continued while the value of solar analysis is done, in order to maintain the success of Connecticut's solar industry while we evaluate new successor policies.

[7] Acadia Center analysis using 2015 economic impact study by the Connecticut Center for Economic Analysis that evaluated Connecticut's existing rooftop solar deployment.
[8] Acadia Center analysis using same study.
[9] Same.

- *COMMERCIAL SOLAR: Continue the LREC/ZREC program until the value of solar analysis is complete and successor programs can be re-evaluated, and lift arbitrary caps on commercial solar investment that will restrict development.*

- *SHARED SOLAR: Expand and improve the shared solar program to ensure its success is important to meeting our climate goals and making solar access more equitable.*

The elimination of Connecticut's current net metering program:

- *Puts 2,200 solar jobs at risk.*
- *Harms solar growth and puts our state at risk of missing our climate goals.*
- *Is based on unfounded "cost shift" theory — Solar provides only 1-2% of Connecticut's total electricity. A U.S. Department of Energy study found that cost shifts to non-participating residents are "imperceptible" in areas with less than 10% solar, and the Brookings Institution found net metering is a net benefit to ratepayers.*

There is consensus among PURA stakeholders that the process to replace net metering has been rushed, and that the new programs will not be ready in time. Merely providing PURA more time is not sufficient because the successor programs required by PA 18-50 are overly complicated, expensive to implement and have killed solar jobs in other states, including Maine, Utah, Arizona and Hawaii.[10]

SUPPORT H.B. 7151 AN ACT CONCERNING ENERGY EFFICINECY

Position: Acadia Center supports HB 7151 updates energy and water efficiency standards for common household and commercial appliances. Efficiency standards ensure that the products we purchase use less energy and water while preserving quality and affordability.

Efficiency standards ensure that the products we purchase use less energy and water while preserving quality and affordability. These standards will bring enormous benefits to Connecticut, including:

- ***Affordability:** Consumers & businesses would save **$80 million** on utility bills with reduced consumption. These savings will grow to **$170 million** annually by 2035.*

[10] https://www.thesolarfoundation.org/solar-jobs-by-state-2018/

- ***Cleaner Energy:*** *Helps meet state greenhouse gas emissions reductions goals by cutting* ***82,000 metric tons*** *of CO2 which also improves public health and air quality.*
- ***Water Savings:*** *Conserving* ***2.3 billion gallons*** *of water reduces strain on water infrastructure.*
- ***Resource Conservation:*** *Reduces energy use equal to the electricity consumption of* ***23,000*** *Connecticut households.*[11]

This bill protects existing federal standards, which currently save CT residents hundreds per year on utility bills, and prevents the rollback of the forthcoming 2020 lightbulb standard, which would save an additional $180 a year per household.

Energy Saving tool: After fuel economy standards, federal appliance standards rank as the biggest energy saver!

[11]